

Statistics Weekly

Thursday, 30 August 1990

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July export performance helps current account



In seasonally adjusted terms, the balance of payments current account deficit for July 1990 fell \$328 million to \$1,232 million.

This fall was due to a turnaround of \$174 million, from a small deficit to a surplus, in the balance on merchandise trade (exports and imports rose 14 per cent and 10 per cent respectively) and a fall of \$181 million, or 12 per cent, in the net income deficit. Partly offsetting these improvements was a rise of \$60 million in the net services deficit, while the net unrequited transfers surplus rose by \$33 million.

In original terms, the current account deficit rose \$431 million, to \$1,730 million, following a turnaround (from a surplus to a deficit) of \$599 million in the balance on merchandise trade and an increase of \$49 million in the net services deficit. Partly offsetting these outcomes on merchandise trade and services was a fall of \$137 million in the net income deficit, while the net unrequited transfers surplus rose by \$80 million.

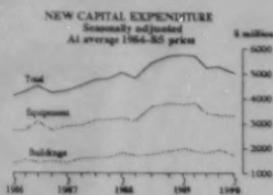
Rural exports rose \$276 million, or 28 per cent, with the largest increases occurring in sugar and wool. Non-rural exports remained virtually unchanged. Imports rose \$873 million, or 25 per cent, with notable increases recorded in transport equipment (civil aircraft imports rose \$150 million), machinery and miscellaneous manufactures.

BALANCE OF PAYMENTS
CURRENT ACCOUNT
\$ million

	June 1990		July 1990	
	Original	Seasonally adjusted	Original	Seasonally adjusted
Balance on merchandise trade	299	-11	-300	163
Net services	-386	-278	-435	-338
Net income	-1,370	-1,451	-1,233	-1,270
Net unrequited transfers	158	180	238	213
<i>Balance on current account</i>	<i>-1,299</i>	<i>-1,560</i>	<i>-1,730</i>	<i>-1,232</i>

For further information, order the publication *Balance of Payments, Australia (5301.0)*, or contact either Zia Abbasi on (06) 252 6689 or Neil Batty on (06) 252 5540.

New capital spending below forecast — and falling



Businesses' new capital expenditure in the June quarter 1990 was significantly lower than they had expected.

Preliminary results from the June quarter 1990 survey show new capital expenditure in the quarter was \$6,990m. This was \$978m or 12 per cent less than the expectations for the June quarter as reported by businesses in the March quarter 1990 survey.

When the estimate is seasonally adjusted and converted to constant prices it represents a 5 per cent decline from actual capital spending in the previous quarter.

Over the year to June 1990, total new capital expenditure was \$27,895m in current price original terms, an increase of 2 per cent on the previous year. The table below shows the picture by industry.

NEW CAPITAL EXPENDITURE

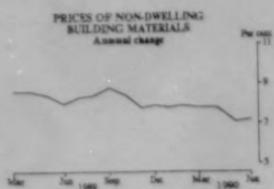
	1988-89 \$m	1989-90 \$m	Percentage change from 1988-89 to 1989-90
Mining	3,887	3,899	-
Manufacturing	7,593	8,376	10
Finance, property and business services	7,866	8,170	4
Other	8,115	7,450	-8
<i>Total</i>	<i>27,460</i>	<i>27,895</i>	<i>2</i>

When the expenditure for the year is converted to constant prices it represents a fall of 2 per cent on 1988-89. This consisted of a fall of 1 per cent for buildings and structures and 3 per cent for equipment, plant and machinery.

Businesses' expected expenditure for 1990-91 is \$28,164m. This is 5 per cent lower than the corresponding estimate for 1989-90 with expected expenditure on buildings and structures declining 13 per cent and expenditure on equipment, plant and machinery increasing 1 per cent.

For further information, order the publication Private New Capital Expenditure, Australia, Actual and Expected Expenditure, Preliminary (5625.0), or contact Kevin Goodwin on (06) 252 5623.

Small increase in prices of non-dwelling building materials



Prices for building materials used in non-dwelling construction increased by 0.3 per cent in June, while the annual rate of increase of 7.2 per cent continues the relatively low annual increases of recent periods.

The main price increases in June were for ready mixed concrete and reinforcing steel. The main price decrease was for conductors.

Brisbane with an increase of 9.0 per cent, was the only city to record an annual change that was significantly above the national average rise of 7.2 per cent. Melbourne with 6.2 per cent, Hobart with 5.4 per cent and Darwin with 5.2 per cent had the smallest annual changes. The remaining capitals were close to the national average — Adelaide 7.9 per cent, Perth 7.7 per cent, Sydney 7.0 per cent and Canberra 6.9 per cent.

For further information, order the publication Price Index of Materials Used in Building Other Than House Building (6407.0), or contact Peter Sturgeon on (06) 252 6198.

Manufactured goods' prices up slightly

Prices of manufactured goods rose by 0.1 per cent in May 1990, the smallest monthly increase since August 1989.

About one half of the items included in the index recorded price increases in May 1990, the main increases being for aluminium and raw sugar. About 20 per cent of the items in the index recorded price decreases, the most significant of which were for refined petroleum and refined silver, lead and zinc.

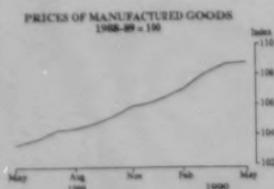
Prices of manufactured goods rose by 5.3 per cent between May 1989 and May 1990. This is the smallest annual increase recorded since August 1986.

There was considerable variation in the rate of price change between the various sectors of manufacturing, as illustrated in the table below.

PRICES OF MANUFACTURED GOODS, MAY 1990
Percentage change

Manufacturing sector	From previous month	From corresponding month of previous year
Food and beverages	0.5	5.4
Clothing and footwear	0.1	6.8
Chemical products	0.1	4.3
Petroleum products	-3.5	11.1
Basic metal products	-0.3	3.8
Fabricated metal products	0.1	8.3
Transport equipment	0.7	5.6
Other industrial machinery	-0.2	2.7
Total manufacturing	0.1	5.3

For further information, order the publication Price Indexes of Articles Produced by Manufacturing Industry, Australia (6412.0), or contact Peter Cordy on (06) 252 5541.



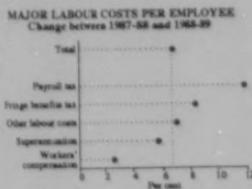
Manufacturing Price Indexes Reviewed

The price indexes of articles produced by manufacturing industry have been reviewed with their composition and weighting patterns updated to reflect the results of the 1986-87 Census of Manufacturing Establishments. The indexes have also been rebased to 1988-89.

The first issue containing indexes on this new basis was released on 28 August 1990.

For further information order the Information Paper: *Review of Price Indexes of Articles Produced by Manufacturing Industry, Australia* (6412.0).

Payroll tax leads labour costs up



The average cost of employing labour in Australia rose from \$23,980 per employee in 1987-88 to \$25,587 in 1988-89, an increase of 6.7 per cent.

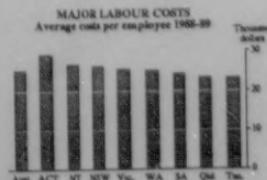
The cost of earnings per employee rose 6.7 per cent to \$22,845, while other major labour costs increased by 7.0 per cent from \$2,563 to \$2,742 per employee. Of the components of other labour costs, pay-roll tax showed the largest rise over 1987-88, increasing by 11.8 per cent to \$831. Figures for the remaining components were:

- fringe benefits tax up 8.4 per cent to \$155
- superannuation up 5.7 per cent to \$1,194
- workers' compensation up 2.7 per cent to \$562.

On an industry basis, the mining industry continued to have the highest average total major labour costs per employee with costs of \$46,503. The highest percentage increase in average costs to employers was recorded in the recreation, personal and other services industry (up 19.1% to \$15,463), but it still remained the industry with the lowest such costs.

MAJOR LABOUR COSTS: AVERAGE COST PER EMPLOYEE

Industry	1987-88 \$	1988-89 \$	Percentage change from 1987-88 to 1988-89
Mining	43,401	46,503	7.1
Electricity, gas and water	33,741	35,336	5.3
Transport, storage and communication	29,449	32,539	10.5
Public administration and defence	26,460	29,181	10.3
Construction	26,909	28,465	5.8
Manufacturing	26,389	28,459	7.8
Finance, property and business services	27,871	27,800	-0.3
Community services	24,292	25,449	4.8
Wholesale and retail trade	18,376	19,379	5.5
Recreation, personal and other services	12,983	15,463	19.1
All industries	23,980	25,587	6.7



Employers in Queensland recorded the biggest increase in total major labour costs per employee by showing a rise of 10.3 per cent to \$23,590, closely followed by Victoria (up 10.2% to \$25,750). Employers in New South Wales had the smallest increase over 1987-88 (up 2.9% to \$26,486). The Australian Capital Territory had the highest major labour costs per employee of \$29,551, while Tasmania had the lowest such costs with a figure of \$23,507.

Inquiries

The ABS supplies a wide range of statistical information:

- through its bookshops
- by mail order (including subscription)
- by facsimile
- electronically.

To order any of the publications that appear in *Statistics Weekly* or to inquire about the statistics and services available from the ABS, contact Information Services at any of the offices listed below. An Information Consultancy Service in each office provides assistance of a more extensive or complex nature.

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All the week's releases: 22 to 28 August

General

Statistics Weekly, 23 August 1990 (1318.0; \$3.50)
Economic Indicators, WA, August 1990 (1307.5; \$5.00)

Census of Population and Housing

Information Paper: Census 86: Data Quality — Ancestry (2603.0; \$12.50)
— new issue

Demography

Marriages, Aust., 1989 (3306.0; \$10.00)
Marriages, Tas., 1989 (3305.6; \$5.00)

National accounts, finance and foreign trade

Balance of Payments, Aust., July 1990 (5301.0; \$12.00)
Foreign Investment, Aust., June Qtr 1990, Preliminary (5307.0; \$6.50)
Exports, Aust., Monthly Summary Tables, June 1990 (5432.0; \$8.00)
Credit Co-operatives: Assets, Liabilities, Income and Expenditure, Aust., 1988-89 (5618.0; \$5.00)
Private New Capital Expenditure, Aust., Actual and Expected Expenditure to June 1991, June Qtr 1990 Survey, Preliminary (5623.0; \$3.50)
Personal Finance, Aust., June 1990 (5642.0; \$5.00)
Lease Finance, Aust., June 1990 (5644.0; \$5.00)
Authorised Dealers and Money Market Corporations: Assets, Liabilities, Income and Expenditure, Aust., 1988-89 (5650.0; \$3.30)

Labour statistics and prices

The Labour Force, Aust., July 1990 (6203.0; \$13.00)
Industrial Disputes, Aust., May 1990 (6321.0; \$5.50)
Price Index of Materials Used in Building Other Than House Building, Eight Capital Cities, June 1990 (6407.0; \$9.00)
Price Indexes of Articles Produced by Manufacturing Industry, Aust., May 1990 (6412.0; \$6.00)
Information Paper: Review of Price Indexes of Articles Produced by Manufacturing Industry, 1990 (6418.0; \$10.00) — new issue

Agriculture

Selected Agricultural Commodities, Aust., 1989-90, Preliminary (7112.0; \$8.00)
Viticulture, Aust., 1989-90, Preliminary (7311.0; \$3.30)

Secondary industry and distribution

Production of Paper, Plastics, Paints, Industrial Chemicals and Detergents, Aust., May 1990 (8362.0; \$5.50)
Production of Metal Products, Aust., May 1990 (8367.0; \$4.50)
Census of Mining Establishments: Details of Operations by Industry Subdivision, Qld, 1988-89 (8401.3; \$8.00)
Domestic Heating and Firewood Usage, SA, October 1989 (8210.4; \$13.00)
— new issue

Calendar of key releases

Expected releases over the fortnight to 11 September 1990

August

- [29] Production Statistics, Australia, Preliminary, July 1990
(8301.0; \$5.00)
- Registrations of New Motor Vehicles, Australia, Preliminary, July 1990 (9301.0; \$4.00)
- [30] Price Index of Materials Used in House Building, Six State Capital Cities and Canberra, June 1990 (6408; \$3.75)
Price Indexes of Materials Used in Manufacturing Industries, Australia, June 1990 (6411.0; \$8.50)
Building Approvals, Australia, July 1990 (8731.0; \$8.50)

September

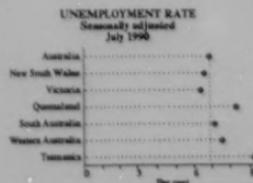
- [3] Export Price Index, Australia, June 1990 (6405.0; \$5.00)
- [6] The Labour Force, Australia, Preliminary, August 1990
(6202.0; \$8.50)
Price Indexes of Articles Produced by Manufacturing Industry, Australia, June 1990 (6412.0; \$6.00)
Quarterly Indexes of Manufacturing Production, Australia, June Quarter 1990 (8219.0; \$7.50)

The latest ...

Changes to key State indicators — consolidated to
28 August 1990

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
— Percentage change from same period previous year —									
New capital expenditure (Mar. qtr 90)*	10.1	-13.5	5.6	17.7	-5.3	-35.2	n.a.	n.a.	-2.4
Retail turnover (June 90) (trend estimate)	6.9	1.9	7.4	6.6	6.9	9.0	n.a.	12.0	5.7
New motor vehicle registrations (June 90)*	8.6	-7.2	-0.6	-15.1	-16.8	n.a.	-4.3	19.5	-1.7
Number of dwelling unit approvals (June 90)	-23.7	-31.2	-26.8	1.4	-42.2	-17.2	-41.0	-29.2	-26.9
Value of total building work done (March qtr 90)	4.7	7.9	1.1	12.9	5.1	-4.0	30.9	-4.0	5.9
Employed persons (July 90)*	1.7	2.4	3.3	2.3	2.7	3.2	-0.4	3.3	2.4
Capital city consumer price index (June qtr 90)	8.1	7.8	6.6	6.7	8.6	6.2	6.4	6.9	7.7
Average weekly earnings (full-time adult ordinary time) (May 90)	7.0	7.9	5.6	6.6	4.4	6.0	6.0	5.6	6.7
Population (Dec. 89)	0.9	1.3	3.1	1.1	2.8	0.9	-0.1	2.2	1.6
Guest nights in licensed hotels and motels, etc (Dec. qtr 89)	1.3	-4.7	-8.7	10.6	0.7	-11.2	-19.6	-8.5	-2.9

* Seasonally adjusted for States (but not Territories).



The latest ...

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Key national indicators - consolidated to 28 August 1990

	Period	Latest figure available		Percentage change (a) on	
		Original	Seasonally adjusted	Previous period	Corresponding period last year
National production					
Gross domestic product	\$m	June qtr 90	91,183	93,879	0.4
— current prices	"	62,511	64,562	-0.9	5.6
— 1984-85 prices	"				1.0
Industrial activity					
New capital expenditure	\$m	June qtr 90	6,990	6,657	-5.3
— current prices	"	5,288	5,030	-4.6	-12.7
— 1984-85 prices	"				
Expected new capital expenditure	"	Six months to Dec. 90	14,807	n.a.	n.a.
Retail turnover	"	June 90	6,873	7,082	1.1
— current prices	"	June qtr 90	14,284	14,835	0.0
— 1984-85 prices	"				1.3
New motor vehicle registrations (e)	no.	June 90	51,963	48,703	-10.2
Dwelling unit approvals (f)	"	June 90	11,234	11,251	-1.9
Value of all building approvals (f)	\$m	"	2,035	2,042	-8.5
Value of total building work done	"	Mar. qtr 90	6,922	7,562	2.0
— current prices (f)	"	"	4,429	4,839	-3.0
— 1984-85 prices (f)	"				5.3
Manufacturers' sales	"	Mar. qtr 90	33,133	36,124	2.4
Expected manufacturers' sales	"	Three months to June 90	36,461	n.a.	n.a.
Labour					
Employed persons	'000	July 90	7,932.9	7,936.8	0.4
Unemployment rate †	%	"	6.7	6.9	0.8
Participation rate †	%	"	64.0	64.2	0.9
Job vacancies	'000	Feb. 90	60.9	56.1	-15.0
Average weekly overtime per employee	hours	"	1.4	1.4	-8.7
Prices, profits and wages					
Consumer price index	1980-81 = 100.0	June qtr 90	207.4	n.a.	1.6
Price index of materials used in manufacturing industries	1984-85 = 100.0	May 90	118.9	n.a.	-0.8
Price index of articles produced by manufacturing industry	1988-89 = 100.0	May 90	108.8	n.a.	0.1
Company profits before income tax	\$m	Mar. qtr 90	3,668	4,633	9.0
Average weekly earnings (Full-time adults; ordinary time)	\$	May 90	534.50	n.a.	1.9
Interest rates (b) (monthly average)					
90-day bank bills †	% per annum	June 90	15.10	n.a.	0.1
10-year Treasury bonds †	"	"	13.40	n.a.	-0.1
Balance of payments					
Exports of merchandise	\$m	July 90	4,124	4,343	14.4
Imports of merchandise	"	"	4,424	4,180	-9.8
Balance on merchandise trade (c)	"	"	-300	163	n.a.
Balance of goods and services (c)	"	"	-735	-175	39.4
Balance on current account (c)	"	"	-1,730	-1,232	21.0
Terms of trade (d)	1984-85 = 100.0	June qtr 90	n.a.	104.9	1.7
Foreign investment					
Net foreign debt	\$m	30 June 90	124,528	n.a.	-0.3
Net foreign liabilities	"	"	161,820	n.a.	0.2
Exchange rates (monthly average)					
\$US per \$A	May 1970 = 100.0	July 90	0.7926	n.a.	-1.9
Trade weighted index	"	"	61.1	n.a.	0.0
Other indicators					
Population (resident at end of qtr)	million	Dec. 89	16.9	n.a.	0.4
Overseas visitors	'000	May 90	150	191	-2.3

(a) Based on seasonally adjusted figures where available. (b) Source: Reserve Bank of Australia. (c) For percentage changes, a minus sign indicates an increase in the deficit; no sign means a decrease in the deficit or an increase in the surplus. (d) The ratio of the price of goods and services for exports to that for imports. (e) Latest figures released Wednesday, 29 August 1990. (f) Later figures released Thursday, 30 August 1990.

NA = not available. SUS = seasonal adjustment in terms of percentage points.

Figures have been taken from a variety of ABS publications. Copies may be obtained from Information Services (see page 6).

Some of the figures shown are preliminary, some final, and some are revisions of previously published figures. Users should check the latest relevant publication or with the ABS Information Services if the status of the statistic is important.

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